SYNOPSIS

A SYSTEMIC APPROACH OF VULNERABILITY ANALYSIS FOR INNOVATIVE CAPACITY BUILDING IN TRADITIONAL TEXTILE CLUSTERS OF INDIA

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SECTION I

INTRODUCTION

I. TEXTILES INDUSTRY IN INDIA: A BRIEF PROFILE

The Indian textile industry is one of the largest in the world, with a huge raw material and textile manufacturing base. The country has produced legends such as Dhaka muslin, which was woven so fine and light that it could pass through a finger ring. In terms of Indian GDP, this sector has been quite beneficial in the economic life of the country. The textile industry is one of the leading sectors in the Indian economy as it contributes nearly 14 percent to the total industrial production. It is claimed to be the biggest revenue earners in terms of foreign exchange among all other industrial sectors in India. The textile industry is the second largest employer, after agriculture, with a total workforce of around 35 million. India is next only to China among the world's largest producers of textiles and garments (UNCTD, 2005, 2006). The industry is the largest foreign exchange earner, as the import content is insignificant compared with those of other major export products. Today this sector is highly globalized but, it is further organizing itself to crave a bigger share to become the market leader. This large and ancient industry has carved out a special niche for itself as a facilitator of the county's economic growth and participative development (www.fibre2fashion.com).

A snapshot of the quantum of global prominence of the Indian textiles Industry:

- India covers 61 percent of the international textile market.
- India covers 22 percent of the global textile market.
- India is known to be the third largest manufacturer of cotton across the globe.
- India claims to be the second largest manufacturer as well as provider of cotton yarn and textiles in the world.
- India holds around 25 % share in the cotton yarn industry across the globe.
- India contributes to around 12 percent of the world's production of cotton yarn and textiles.
- Indian textile industry holds 3.5 to 4 percent share in the total textile production across the globe and 3 percent share in the export production of clothing.
  (www.mapsofindia.com)

The Role of Textile Industry also includes a hike in the investment flow both in the domestic market and the export production of textiles (Ramachandran, V. 2001). The investment range in the Indian textile industry has increased from USD 2.94 billion to USD 7.85 billion within

three years, from 2004 to 2007 and it has been assumed that by the year 2012, the investment ratio in textile industry is most likely to touch USD 38.14 billion (www. mapsofindia.com).

Industrial Competitive Scenario:

The prevalent state of textile industry of India under a global competitive setup can be best illustrated using Michael Porter's Five-force Model as depicted below (Porter, M. 1979, 1990):

The Indian Textile Industry – Porters Diamond Analysis
• Low Cost
• Flexibility
• Skilled Labour
• Ability to produce Customized Apparel
• Lower Lead Times
Firm Strategy, Structure and Rivalry
• Dominated by unorganized sector
• Highly competitive and fragmented
• Entry of foreign players
Factor Conditions
Demand Conditions
Govt. Regulations/ Policy
Related and Supporting Industries
• Large Domestic Potential
• Favourable Demographics
• Rising Income and Growing Purchasing Power
• Rise of Malls, Organised retail
• Support for Technology Upgradation
• Government reimburses 5% of the interest rates
• A credit linked capital subsidy of 10%, in addition to the existing 5% interest reimbursement for modernising the processing sector
• Quality Improvement
• Product Development/ Design
• Cheap and Abundance of Raw Materials
• Well developed Textile Machinery Industry
• Well developed IT capabilities

(Source: Indian Brand Equity Foundation, 2006)

The textile industry is dynamic to the core. With dismantling of quotas in 2005 the competitive global scenario this industry has changed evidently (Bhushi, U.M. Pharsiyawar, S.M. (2004). This dynamism can be well explained by conducting industry analysis using Porters model. According to this, the collective strength of these five competitive forces determine industry profitability because they influence the prices, costs, and required investment of firms in an industry. The framework shown above outlines the key forces that will asses and determine the level of competitiveness of Indian textile sector and illustrates that how these forces are interrelated

CLUSTERS:

"A business cluster is a geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field. Clusters are considered to increase the productivity with which companies can compete, nationally and globally". This term industry cluster, also known as a business cluster, competitive cluster, or Porterian cluster, was introduced and the term cluster popularized by Michael Porter in The Competitive Advantage of Nations (1990). He claimed that clusters have the potential to affect competition in three ways:

- By increasing the productivity of the companies in the cluster,
- By driving innovation in the field
- By stimulating new businesses in the field

SMALL / MICRO /MEDIUM ENTERPRISES (SMEs) AND TEXTILE CLUSTERS:

The term ‘cluster' indicates a sectoral and geographical concentration of enterprises which produce and sell a range of related products and are, thus, faced with common challenges and opportunities. SMEs form the bedrock of India's economy (Jayalaxmi J. Shah 1985). As the economy moves from low- to mid-income status, the economic relevance of SMEs also grow, with SMEs accounting for an increasing share of both gross national income and employment. SMEs thus have access to high quality business development services (BDS) which is indispensible to the growth of the whole economy.

Around 353 textile clusters in India are listed. The concept was on one hand to reduce cost of production of SMEs through backward linkage, through the vehicle of “Consortium “for example: technology up gradation, joint raw material purchase, cost sharing etc. On the other hand through forward linkage, again with the vehicle of “Consortium“, to sell jointly in India & to export, thereby avoiding competition & working in co operation thereby getting better price realization. (www.clusterpulse.org)

GOVERNMENT INITIATIVES:

Over a period of few years, Government Of India at central as well as state level realized the importance of CDP & made it an integral part of its industrial policy. Central Government adopted a few clusters (Landes, M. MacDonald et al. 2005). Taking lead from this, many State Governments adopted clusters. Then organizations like SIDBI, Textile Committee – Ministry Of Textiles & many more Central & state agencies started adopting clusters & running programs. As of today, CDP can be said to be a grassroots movement for a resurgent SME sector in India (Texsummit, 2007).

There are sound economic reasons for this clustering phenomenon. It has been observed that SME's operating in such clusters derive a clear competitive advantage from :

- The proximity to sources of raw materials.
- The availability of suitable business development services.
- The abundance of customers / buyers attracted by the cluster tradition in that industry.
- The presence of a skilled labour force.

(www.clusterpulse.org)

GLOBAL SCENARIO :

SME clustering is common in a wide range of countries and sectors. Some industrial districts in developed countries describe SME clusters that have reached high levels of growth and leadership in

profitable niches of world markets. Similar examples exist from developed countries such as Germany, the USA, and Japan (Nordås, H.K. 2004). This model can be replicated in developing & underdeveloped economies too. The principle of Cluster Development Program's approach towards SME's is that these companies can play a key role in economic growth as well as equitable development in developing countries.(www.ethiopianhandicraft-femseda.org)

However, this potential role is often not fulfilled because of a particular set of problems **(vulnerabilities)** characterizing SMEs that are related to its size and scale:

- Individually, SMEs are often unable to capture market opportunities which require large production quantities, homogenous standards, and regular supply.
- They experience difficulties in achieving economies of scale in the purchase of inputs (such as equipment, raw materials, finance, consulting services, etc.)
- Small size constitutes a significant hindrance to the internalization of functions such as training, market intelligence, logistics and technology innovation
  all of which are at the very core of firm dynamism.
- Small & Medium scale prevents the achievement of specialized and effective internal division of labour that fosters cumulative improvements in productive capabilities and innovation.
- Due to the continuous and fierce struggle to preserve their narrow profit margins, small-scale entrepreneurs are often locked in their routine work and unable to introduce innovative improvements to their products and processes and cannot look beyond the boundaries of their firms to capture new market opportunities.

CLUSTER DEVELOPMENT PROGRAMME (CDP) AND CONSORTIUM:

The term ‘consortium' refers to a group of firms that cooperate on a joint project – like joint raw material purchase , joint marketing through common brand , cost sharing , capacity utilization , joint participations in exhibitions & marketing tours etc. thereby complementing each other in order to overcome common problems, achieve collective efficiency and conquer markets beyond their individual reach. Market access can be done with technological up-gradation. Once they know the market, they will themselves invest in upgrading their technology in order to tap the markets. (Textile Clusters: Textile Committee, Ministry Of Textiles, Govt. Of India)

SME's need infrastructural, technological & marketing support. This led to the beginning of Cluster Development Programs (CDP). The CDP approach envisages consortium initiatives as components of a broader spectrum of support measures to SMEs. This is because such initiatives are frequently much more effective and sustainable if they involve the entire range of actors with whom the SMEs commonly interact. Among such actors are:

- Suppliers of raw materials , plant & machinery
- Consumers of goods and services
- Research and development institutions
- Industrial Associations

- Technical , Marketing and management consultancy organizations
- Training Institutions
- Regulatory bodies enforcing/monitoring rules and regulations
- Local Government
- Financial Institutions

NAMES OF MAJOR TEXTILE CLUSTERS:

(Source: Textile Clusters: Textile Committee, Ministry Of Textiles, Govt. Of India)

Terry Towel	Solapur, Maharastra
Cotton Fabrics	Salem, Tamil Nadu
Textile Fabrics	Erode, Tamil Nadu
Knitwear	Tirupur, Tamil Nadu
Home Furnishing	Kannur, Kerela
Cotton Yarn	Madurai, Tamil Nadu
Home Furnishing	Karur, Tamil Nadu
Textile & Clothing	Ahmedabad, Gujrat
Hosiery	Kolkata, West Bengal
Defence Textiles & Hosiery	Kanpur, UP
Polyester Fabrics	Surat, Gujrat
Grey Fabrics	Ichalkaranji, Maharastra
Ikkat Fabrics	**Bhubaneshwar, Orissa, (Traditional Textiles)**
Chanderi Silk	**Chanderi, MP, (Traditional Textiles)**
Knitwear	Ludhiana, Punjab
Home Furnishing	Panipat, Haryana
Jeans	Bellary, Karnataka
Sanganer print	**Jaipur, Rajasthan, (Traditional Textiles)**
Raw Cotton	Ahmedabad, Gujrat
Khadi	Baswa , Srinagar

SOME TRADITIONAL INDIAN TEXTILE CLUSTERS:

a. CHANDERI – TRADITIONAL TEXTILE OF MADAYA PRADESH

Chanderi is one of the best-known handloom clusters in India, particularly famous for its sarees, made with mix of silk and cotton. But if we look at its history, Chanderi has been adapting itself as per needs. Sari is the product of second half of twentieth century only. Then, there have been changes in the methodologies, equipments and even the compositions of yarns in past. The heritage is attached with the skills of weaving high quality fabric products here. The weavers are actually the symbol of the heritage, as they have been the ones, who produced the kinds of stuff that received appreciation even from the royals.

Unlike past, in modern time of changes in lifestyle, Chanderi tends to stick with what it has been doing for decades now. It is because of the inability of those, who lead the decision-making about the product, to adapt as per the changes. Their ability has partly been affected by lack of patronage it used to have in past. Till independence royal families of Gwalior provided the required patronage. After that, state and central government supported the cluster through purchases of the goods and subsidies. But that support has slowly reduced to bare minimum and the cluster is on the decline now. Realizing the difficulties well in advance, the resourceful traders/master weavers have generated several options for themselves. They have invested in alternative business activities for a possible shift in future. But unfortunately, the 'symbol of heritage'- weavers, are the most vulnerable unit on the scene, having no options, weavers are facing increasingly difficult time. (www.indianhandloomscluster-dchl.net)

b. CHAMBA RUMAL – TRADITIONAL TEXTILE OF HIMANCHAL PRADESH

The embroidery art form of the Chamba rumal originated in the erstwhile princely hill states c Chamba, Kangra, Basohli and nearby states which now form part of the Himachal Pradesh Thoug practiced throughout the region, the craft came to be associated specifically with Chamba owing to th patronage given by the rulers of the area. Artistic styles of Pahari miniature painting was reflected i the rumals of the 18th-19th century A.D.

Chamba rumals were ultimately done by the upper class women of royalty. They had the use of the trained miniature artist who would draw the theme of the rumal in charcoal and provide guiding color schemes. The themes were religious especially Krishna theme. Fabric was handspun unbleached mulmul or fine Khaddar. Embroidery was done in double satin stitch called dorukha. No rumal was in single color. The stitch was carried forwards and backwards alternately and was done simultaneously on both sides of the cloth. Rumals were expressions of the life of the common man.

The state government has got the Chamba handkerchief, Kullu and Kinnauri shawl and Kangra tea registered under the Geographical Indications (GI) of Goods (Registration and Protection) Act, 1999, with the Chennai-based Geographical Indications Registry.
(www.hdmuseum.nic.in/art_gallery/textiles.html)

c. PHULKARI – TRADITIONAL TEXTILE OF PUNJAB

Phulkari literally means flower working which was one time used for word embroidery but in course of time word "Phulkari" became restricted to embroidered head cloth/odini. Simple and sparsely embroidered odini and shawls made for everyday use are called Phulkaris whereas closely and all covered over are made for special and ceremonial occasions are known as Baghs (Garden).

Phulkari and Baghs were worn by ladies all over Punjab during marriage festivals and other joyous occasions. They were embroidered by ladies themselves for their own use and use of other family members and not for sale in the market. Thus it was purely a domestic art which not only satisfied their inner urge for creation but brought color into day to day life. In a way it was true folk art. Custom had grown to give Phulkari and Baghs to brides at the time of marriages. Some best Phulkari and Baghs are known to have been made in Hazara and Chakwal areas of Northern Punjab. Some scholars feel that the art of Phulkari came from Iran where it is known as "Gulkari". Some feel it came from Central Asia along with Jat tribes who migrated to India and settled in Punjab, Haryana and Gujarat. There is reference of Phulkari in Vedas, Mahabharata, Guru Granth Sahib and folk songs of Punjab. Most favored color is red and its shades because Bagh and Phulkari are used during marriage and other festivals. Red is considered auspicious by Hindus/Sikhs. Other colors are brown, blue, black, white. White was used in Bagh used by elderly ladies. Silk thread in strands came from Kashmir, Afghanistan and Bengal. Best quality silk came from China. No religious subject or darbar scenes were embroidered as in Chamba Rumal. Phulkari encompassed life of villages. Creative ability of Punjabi women has produced innumerable and intricate geometrical patterns. However most motifs were taken from life existing all around. Wheat and barley stalk with ears is a common motif. (www.hdmuseum.nic.in/**art**_gallery/textiles.html)

d. BANARASI BROCADE – TRADITIONAL TEXTILE OF UTTAR PRADESH

Banarasi saris are saris made in Varanasi, a city which is also called "Benares." These saris are historically considered to be among the finest saris in India and are known for their gold and silver brocade, fine silk and opulent embroidery, and being highly sought after. These saris are made of finely woven silk and are decorated with intricate design, and because of these engravings, these saris are relatively heavy. Their special characteristics are Mughal inspired designs such as intricate intertwining floral and foliate motifs, *kalga* and *bel*, a string of upright leaves called *jhallar* at the outer, edge of border is a characteristic of these sarees. Other distinctive features are Heavy gold work, Compact weaving, figures with small details, metallic visual effects, pallus, jal (a net like pattern), and mina work. These saris are an inevitable part of any Indian bride's trousseau.

Depending upon the intricacy of designs and patterns, a sari can take anywhere from 15 days to a one month and sometimes up to six months to complete. Banarasi saris are mostly worn by Indian women on important occasions such as when attending a wedding and are expected to be complemented by the woman's best jewelry. (www.banarasipaaninred.blogspot.com).

e. BLOCK PRINTING – TRADITIONAL TEXTILE OF RAJASTHAN

Archaeological remains from the Indus Valley civilisation in the 3rd millennium BC include cotton fragments dyed with madder, a dye commonly used for Block Printing even today. Dye vats,

spindles and bronze needles found at sites like Mohenjedaro indicate highly developed fabric work. Today, Block Printing is practiced in several Indian states. In Gujarat, hand printing has been practiced and perpetuated by the Paithapur families. They make intricate blocks, and print their textiles using the mud resist-Printing method. These prints are called Sodagiri (trader) prints. In Kutch, the popular patterns are black and red designs of birds, animals, and dancing girls. The saris of Ahmedabad and Baroda have large mango patterns against a red or blue background. The other well known centres for Block Printing in Gujarat are Bhavnagar, Vasna, Rajkot, Jamnagar, Jetpur and Porbandar.

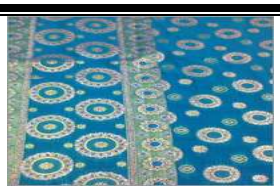
In **Rajasthan**, colourful Block Prints of birds, animals, human figures, gods and goddesses are popular. The important centres for this form of Hand Printing are **Jaipur**, **Bagru**, **Sanganer**, Pali and Barmer. Barmer is known for its prints of red chillies with blue-black outlines, surrounded by flower-laden trees. The other famous prints are of horses, camels, peacocks and lions, called Sikar and Shekahawat prints. In Madhya Pradesh, printed textiles are created by a community of printers called Chheepa (derived from the Hindi word *chhapna* meaning printing). The printers of Bagh use vegetable and Natural Dyes, in bright shades of red and black and also occasional Indigo. The blocks are made of intricately stylized motifs, which have evolved over hundreds of years. These prints have a tonal and a three dimensional effect which is impossible to replicate in the screen printing or machine printing process. (www.farpaviliontents.co.uk/block-printing.asp)

f. MADHUBANI – TRADITIONAL CRAFT ON TEXTILE OF BIHAR

Madhubani paintings and textiles, (also referred to as Mithila Art as it flourishes in the Mithila region of Bihar), are characterized by line drawings based on mythological themes, in bright colours and decorative borders. They are so called because they originated in and around a large agricultural town in Bihar, Madhubani or 'Forest of Honey'.

Originally, Madhubani Paintings were executed on freshly plastered mud walls, on religious occasions or weddings. Each painting was a prayer and an accompaniment to meditation. Well executed paintings were believed to be inhabited by the deities depicted in them. The colours used in these paintings were made from natural dyes. Today, Madhubani Paintings are made on silk, handmade paper, cloth, canvas etc for commercial purposes. The uses of chemical dyes and paints have resulted in brighter multicoloured paintings. Madhubani art came to the notice of the rest of the country in the 1960s. Bihar had been hit by a terrible drought and the government decided to promote Madhubani Paintings to create an alternative non agricultural source of earning. The All-India Handicrafts Board encouraged the artists of Madhubani to paint on Handmade paper instead of on walls. Since then, painting has become a primary source of income for scores of families.

The Madhubani Artists: Madhubani paintings are mostly made by Hindu village women who traditionally passed on this skill from mother to daughter. Different castes use different colours and motifs in their painting. For example, Brahmins use yellow, lemon, blue and black, while the paintings made by Kayasthas are usually in just black or deep red. Even today, most of their work remains anonymous. Few women like to mark their paintings with their names, and are quite reluctant to consider themselves individual producers of "works of art".

		
CHANDERI –MADHYA PRADESH	**CHAMBA RUMAL – HIMANCHAL PRADESH**	**PHULKARI –PUNJAB**
BANARASI BROCADE –UTTAR PRADESH	**BLOCK PRINTING –RAJASTHAN**	**MADHUBANI –BIHAR**

STATE OF UNORGANISED HANDLOOM AND HANDICRAFTS SECTOR IN INDIA:

Handloom and handicraft items, which come under informal sector, play an important role in the economy of this region. As per recent census, there are 55,000 handloom units in Varanasi, Chandauli and Mirzapur districts. However, the number of handloom units has reduced from 75,000 due to the slump in silk industry. These handlooms are associated with 37,500 households in these districts. Since the entire family is engaged in a handloom unit, the number of people in this industry may be many times more. Similarly, around 18-20 lakh people of eastern UP are engaged in the manufacturing of handicraft items like carpet, zari and embroidery, metal craft, stone craft, textile, artificial jewellery, beads and jute craft (www.timesofindia.indiatimes.com). Craft Revival Trust presents an active, live address directory listing of over 60,000 craftspersons and weavers working across India in over 880 crafts.

II. SYSTEMS THINKING (SYSTEMIC ANAYSIS)

Systems' thinking is the process of understanding how things influence one another within a whole. In organizations, systems consist of people, structures, and processes that work together to make an organization healthy or unhealthy. Systems Thinking has been defined as an approach to problem solving, by viewing "problems" as parts of an overall system, rather than reacting to specific part, outcomes or events and potentially contributing to further development of unintended consequences. It proposes to view systems in a holistic manner. Consistent with systems philosophy, system thinking concerns an understanding of a system by examining the linkages and interactions between the elements that compose the entirety of the system.

Systemic analysis attempts to illustrate that events are separated by distance and time and that small catalytic events can cause large changes in complex systems. Acknowledging that an improvement in one area of a system can adversely affect another area of the system, it promotes organizational communication at all levels in order to avoid the silo effect.

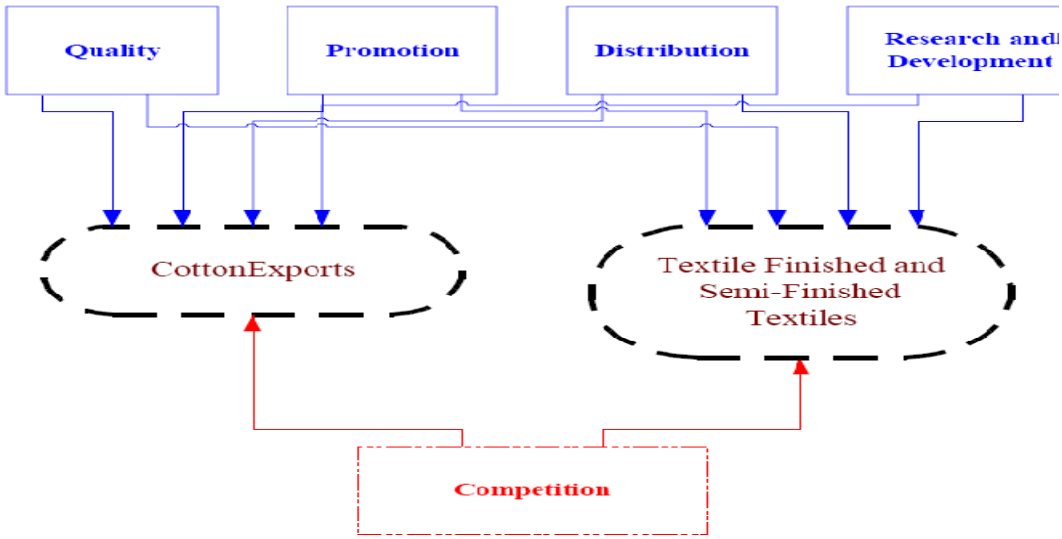
Basic postulates of Systems Methodology:

- A system is a dynamic and complex whole, interacting as a structured functional unit;
- Energy, material and information flow among the different elements that compose the system;
- A system is a community situated within an environment;
- Energy, material and information flow from and to the surrounding environment via semi-permeable membranes or boundaries;
- Systems are often composed of entities seeking equilibrium but can exhibit oscillating, chaotic, or exponential behavior.

Application of Systems Perspective in Business analysis:

The traditional approach to problem solving in business is reductionist approach, which involves breaking down the whole system into manageable pieces and then analyzing each piece in isolation. This view is implicitly a linear view treating a business situation merely as a sum of the behavior of its parts. The real behavior of a business system however is more than just the sum of its parts. In this context, applied systems research addresses real world industrial problems concerned with complex, unstructured, multidisciplinary, large scale systems which require acquiring information of the system and its constituting elements and environment and which seek approximate solutions to precisely or imprecisely formulated problems

Tools of system analysis: Causal loop diagrams (CLD): Graphic tools of Systems methodology, namely causal loops and flow diagrams offer powerful communicability between modeller and decision maker. Its characteristics as a learning tool find favour with the policy planners. The following model broadly illustrates some of the macro industrial dynamics of Textile industry using CLD architecture.



(Source: Ziad Adel and Wabha, SD Conference 2002)

III. VULNERABILITY ANALYSIS AND CAPACITY BUILDING:

A vulnerability analysis is the process of identifying, quantifying, and prioritizing (or ranking) the vulnerabilities in a system. It may be conducted in the political, social, economic or environmental fields. Vulnerability assessment has many things in common with risk assessment. Assessments are typically performed according to the following steps:

1. Defining and classifying assets and capabilities (resources) in a system.
2. Assigning quantifiable value (or at least rank order) and importance to those resources
3. Identifying the vulnerabilities or potential threats to each resource
4. Developing a strategy to deal with the most serious potential problems first
5. Mitigating or eliminating the most serious vulnerabilities for the most valuable resources

Conventionally, classical risk analysis is principally concerned with investigating the risks surrounding physical plant (or some other object), its design and operations. Such analyses tend to focus on causes and the direct consequences for the studied object. Vulnerability analyses, on the other hand, focus both on consequences for the object itself and on primary and secondary consequences for the surrounding environment. It also concerns itself with the possibilities of reducing such consequences and of improving the capacity to manage future incidents.

Vulnerability Profile of Indian Textile:

Against all the merits mentioned in the beginning, It is difficult to find such a large-scale industry in the country that is so disorganized as the Indian textile industry. The industry is often plagued by obsolescence, unhealthy regulations and problems of labour (Utamsingh, V. 2003). This emphasizes the need for strengthening the management mechanism in the industry in order to build competitive capacities and to face the emerging international challenges. It is projected that, the textile industry in India will face intensified competition in both their export and domestic markets. However, the migration of textile capacity will be influenced by objective competitive factors and will be hampered by the presence of distorting domestic measures and weak domestic infrastructure in developing countries like India. Sickness and inter-sector contradictions that are a bane of the industry have to be solved through a wise approach and well-calibrated steps, to ensure healthy growth. (www.ukessays.com)

Traditionally, crafts were produced and managed by the craftsmen themselves. However, “Globalisation” demands innovative products, materials, and processes with new standards of quality and creativity (Verma, S. 2002). Today, due to changes in social set ups, culture and economy, the crafts and the crafts persons are increasingly becoming **vulnerable** to new realities. Strengths of Indian handicrafts is increasingly being recognised both in export as well as domestic urban markets, but the qualitative market intelligence flow between market-place and the crafts persons is not up to the desired level. Besides, quality of production, approaches for further market development, protection of traditional wisdom and practices through IPR, sustainability, crafts promotion, etc. are

the other aspects that need to be addressed for effective growth of Indian handicrafts. Design plays a major role in empowering the crafts and crafts persons, both as an enabler and a value adder. Only knowledge empowerment and efficient multi- disciplinary networking can lead to cutting edge advantage to Indian crafts. Attributes of Indian handicrafts have a great potential to contribute in this direction if hand held properly. (International Centre for Indian Crafts –ICIC-2008).

INNOVATIVE CAPACITY BUILDING:

UNDP (United Nations Development Program) defines 'Innovative capacity building' as the creation of an enabling environment with appropriate policy and legal frameworks, institutional development, including community participation (of women in particular), human resources development and strengthening of managerial systems, adding that, UNDP recognizes that capacity building is a long-term, continuing process, in which all stakeholders participate (ministries, local authorities, non-governmental organizations and water user groups, professional associations, academics and others). The WCO defines capacity building as "activities which strengthen the knowledge, abilities, skills and behavior of individuals and improve institutional structures and processes such that the organization can efficiently meet its mission and goals in a sustainable way."It is, however, important to put into consideration the principles that govern community capacity building.

Innovative Capacity Building is much more than training and includes the following:

- Human resource development, the process of equipping individuals with the understanding, skills and access to information, knowledge and training that enables them to perform effectively.
- Organizational development, the elaboration of management structures, processes and procedures, not only within organizations but also the management of relationships between the different organizations and sectors (public, private and community).
- Institutional and legal framework development, making legal and regulatory changes to enable organizations, institutions and agencies at all levels and in all sectors to enhance their capacities.

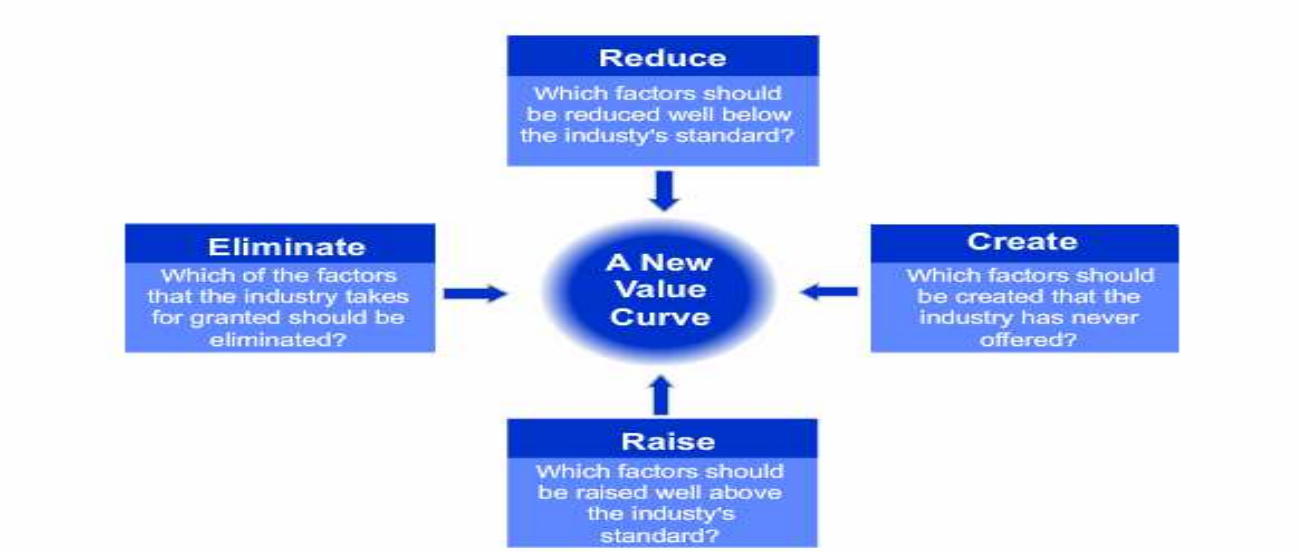
In nut shell, Innovative Capacity building can be attributed as the "process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive innovatively, adapt, and thrive in the fast-changing world. For organizations, capacity building may relate to almost any aspect of its work: improved governance, leadership, mission and strategy, administration (including human resources, financial management, and legal matters), program development and implementation, fundraising and income generation, diversity, partnerships and collaboration, evaluation, advocacy and policy change, marketing, positioning, planning, etc. For individuals, capacity building may relate to leadership development, advocacy skills, training/speaking abilities, technical skills, organizing skills, and other areas of personal and professional development. Capacity building is the element that gives fluidity, flexibility and functionality of a program/organization to adapt to changing needs of the population that is served. In the context of the Traditional Indian Textile Sector, there are many aspects that need to be catered to for which an implementation of a strategy is required that may encompass the vulnerability aspect and innovation prospecting in this sector.

Blue Ocean Strategy can be referred as one of those strong strategic initiatives which are in wide application across various industrial sectors globally for the intended purpose of innovative capacity building.

BLUE OCEAN: A STRATEGY TOOL FOR VULNERABILITY ASSESMENT AND INNOVATIVE CAPACITY BUILDING

Blue Ocean Strategy is a business strategy book first published in 2005 and written by W. Chan Kim and Renée Mauborgne of The Blue Ocean Strategy Institute at INSEAD. The book illustrates what the authors believe is the high growth and profits an organization can generate by creating new demand in an uncontested market space, or a "Blue Ocean", than by competing head-to-head with other suppliers for known customers in an existing industry.

The key concepts of blue ocean strategy, include Value Innovation — the simultaneous pursuit of differentiation and low cost — and key analytical tools and frameworks such as the strategy canvas, the four actions framework and the eliminate-reduce-raise-create grid.


Reduce
Which factors should be reduced well below the industy's standard?
Eliminate
Which of the factors that the industry takes for granted should be eliminated?
A New Value Curve
Create
Which factors should be created that the industry has never offered?
Raise
Which factors should be raised well above the industy's standard?

(Source: Chan Kim and Renée Mauborgne, Harvard Business School Press 2005)

The strategy describes the four principles of blue ocean strategy formulation: how to create uncontested market space by reconstructing market boundaries, focusing on the big picture, reaching beyond existing demand and getting the strategic sequence right (Kim, Chan 2005). These four formulation principles address how an organization can create blue oceans by looking across the six conventional boundaries of competition (Six Paths Framework), reduce their planning risk by following the four steps of visualizing strategy, create new demand by unlocking the three tiers of noncustomers and launch a commercially-viable blue ocean idea by aligning unprecedented utility of an offering with strategic pricing and target costing and by overcoming adoption hurdles. The concept applies across industries to demonstrate how to break out of traditional competitive strategic thinking and to grow demand and profits for the operating units and the industry by using blue ocean strategic thinking.

The corner-stone of Blue Ocean Strategy is '**Value Innovation**'. A blue ocean is created when a company achieves value innovation that creates value simultaneously for both the buyer and the company. The innovation (in product, service, or delivery) must raise and create value for the market, while simultaneously reducing or eliminating features or services that are less valued by the current or future market.

SECTION II: Review of Literature

NATIONAL STUDIES

1. Comprehensive Handloom Cluster Development Scheme, Ministry of Textiles, Gov. of India. 2011

Review:

According to this, the Office of the Development Commissioner (Handlooms) has introduced Comprehensive Handloom Cluster Development Scheme for integrated & holistic development of Varanasi Handloom Mega Cluster. As per the diagnostic study and Detailed Project Report (DPR) of the Varanasi Cluster, there are about **45,000 working handlooms**. In this regard, a technical survey is proposed for all the working handlooms. Presently the survey is being conducted.

2. Press Information Bureau, Export of Zari and Silk, Journal of Ministry of Textiles, August 19, 2010.

Review:

This report indicates that, Government is aware of the problems being faced by the weaving societies due to steep increase in the prices of Zari and the resultant increase in the input cost of silk sarees. It is further stated that the Office of the Development Commissioner for Handlooms, Government of India is implementing Mill Gate Price Scheme (MGPS) under which all types of yarn including Zari is made available at Mill Gate Price to the eligible handloom weavers throughout the country so as to facilitate regular supply of basic raw materials to the handloom sector and help utilize the full employment potential of the sector.

3. Need to preserve traditional skills of weaving, Textiles Secretary, Journal of Ministry of Textiles. June 18, 2010 (India).

Review:

In this report, Smt. Rita Menon, Secretary (Textiles) emphasised the need not only to preserve the traditional skills of weaving but also to upgrade the designs in a contemporary context to find a market both in domestic as well as international arenas. The total outlay for the handloom sector has been substantially enhanced from 340 crores to 426 crore for the year 2010-11. She called upon the State Governments to take pro-active steps to enable the initiatives of the Government of India to reach the handloom weavers effectively. Textile Secretary also stressed the need to preserve the traditional craft as well as to integrate it in contemporary context by involvement of Public Private

Partnership. She also underlined the importance of to conserving the traditional weaves under the Geographical Indication Act (Registration and Protection) Act, 1999 to prevent these skills from languishing or being copied. The way ahead is to pursue Brand building of handloom products which is the need of the day and to make them niche products for the high end consumers and the fashion conscious youth. In fact the handloom sector should develop a strong linkage with Sericulture sector so as to have viable linkage right from reeling and weaving onwards the textiles Secretary added.

4. Handloom Mark - Hallmark of genuine hand woven excellence, Journal of Ministry of Textiles, (DC (Handlooms), New Delhi, February 04, 2011.

Review:

According to this report, handwoven products are much in vogue, as well as in demand today. For a genuine buyer seeking value for money, making out or **identifying a genuine handloom product is a real challenge.** This is where 'Handloom Mark' can step in to help establish not only genuine handloom products, but also ensure appropriate income / returns for products made by **socio economically backward weavers.**

5. Ministry of Textiles, Need for R&D support for domestic textile industry, August 18, 2010.

Review:

FICCI, in this work, has suggested for research & Development(R&D) which include;

(i) Adoption of local/international innovative technologies as role models for the industries;
(ii) MOU with leading international research institutes for conducting joint research projects
(iii) creation of incubation centres for technology transfer and acceptability by the Industry
(iv) benchmarking R&D at both national/firm level
(v) Encourage adoption of advance synthetic fibres' and understand the application of genetic engineering, bio-technology and cellular biology in both natural and synthetic fibre-base.

6. Dr. D. Narasimha Reddy, 'Policy Brief on Handloom Sector 2010', www.fibre2fashion.com, 2010.

Review:

According to this paper, the **strength** of the handloom sector is its large and **skilled labor**. This is also the strength of the Indian textile sector. One needs to enhance this strength and address factors that weaken this strength. Modern economists should keep in mind the fundamental economic principle: maximum good for the maximum people. It is time that government recognized the value of the handloom sector in achieving sustainable development of the country. On its own, government would never be able to provide employment to such a large workforce. Going by the logic of liberalization, government in turn ought to formulate, promote and encourage policies which sustain this employment, and cannot work to its detriment. Despite adverse conditions, due to larger **support from the consumers** and being a livelihood option for millions of weavers, handloom sector has been surviving, and has the **potential** to be so.

7. Dr. D. Narasimha Reddy, Independent Textile Analyst : 'Inclusive Growth in Handloom Sector: An Appropriate Strategy to Utilize Opportunities', www.fibretofashion.com2009

Review:

According to Dr Reddy, More than **3 crore families** are dependent on this sector for their livelihoods. Properly handled, with an emphasis on human resource development and a sector capable of absorbing them in productive employment, the presence of skilled weavers in an environment, where investment is expanding and the industrial world is ageing, would be a major advantage. It is also bringing to light the hollowness of growth strategies and is also questioning the established premises and models of business and product development.

8. An anonymous EHOW contractor in the Financial Express (Sep18, 2006) and 'Financial Times' (June 15, 2003: 'Facts about the Cotton textile Industry of India'2006

.**Review**:

According to the article, due to irrigation constraints, India's Cotton production is dependent on the yearly **monsoon** season (June through September). The lack of transportation **infrastructure** drives a large part of cotton production into local manufacturing processes. The article also states that the Indian government has drastically **liberalised** its textile Industry by aggressively **slashing tariffs** on imports and opening up its market to foreign investors. While it still provides local industries with large subsidies, it has **shifted** its **interest** from the production of raw textiles to higher end manufacturing.

9. Sudesh Kumar, 'Development of Industrial Cluster - A Study of Indian Small Scale Industry Cluster', 28 September 2005, by (Online at http://mpra.ub.uni-muenchen.de/171/MPRA Paper No. 171, posted 07. November 2007 / 00:50)2005

Review:

The dissertation finds that cluster development elements, and initiatives to improve the competitiveness of the elements, lies inside the clusters.

Its uniqueness probably does matter, but not necessarily in the ways suggested by much of the publications and literature. Industrial specialization and existing policy boost up are not the only ways to translate clusters into higher levels of development. The most significant development of industry clusters lies in their framework that how regional economies function. Cluster development programs teach the policy makers to better identify the drivers of the regional economy and the sources of competitive advantage. This dissertation examined the proposition that a higher level of **involvement** of institutions and government agencies in cluster-based strategies will increase their potential for achieving cluster development. The UNIDO intervention at Jaipur textile cluster has proved that the government intervention at some basic level is important. Most of those interviewed indicated a demand and requirements for a supportive role of government in cluster-based development. On the contrary, the **government has always been an obstacle in India in the development of any SSI cluster**. Industry clusters are a useful analytical tool for assessing the structure of a regional economy; with their help **local policymakers** can better understand how their regional economy functions.

10.Ministry of Textiles, Govt. of India from 2003-2005.

Review:

Cluster Pulse has developed an innovative methodology for conducting diagnostic study in a cluster which is internally referred to as the 'Diagnostic Matrix'. The Diagnostic Matrix leverages primary research with cluster participants and their database of global best practices to provide a view on issues and solution themes.

11. The Future in the World of Fashion': Parul Bhatnagar, The International conference 'Textiles and Apparel: Fashion the Future', Department of textile & Fashion Technology, Nirmala Niketan, 49 New Marine Lines, Mumbai-400020, Jan 12-14, 2004.

Review:

According to the author, the **preservation**, **revival** and study of the best of the traditional designs and motifs is necessary to provide a guide to good craftsmanship. These designs embody the indigenous talents synthesized over time with new cultural impacts and the imagery of sign and symbol. Craftsmen today, too, create such crafts, the designs and ornamental motifs of which are truly characteristic of India, and these become the inspiration for future generations. In this paper, the changing roles of the artisans, craftsmen and designers is emphasized in the context of emerging technology that is capable of facilitating the **preservation**, **dissemination** and generation of new designs based on traditional forms, and also offers **enhanced** capabilities in terms of colour variety and colour differentiation. It is hoped that this will lead to a **renaissance** in the field of traditional textile designing. Indian traditional designs can be innovatively used today by interchanging motifs and their ornamentations for serving the world of fashion and increasing awareness about our rich cultural heritage. This research work further reflects the fact that real art knows no confines, strictures or bond.

12. Samar Verma: 'Export competitiveness of Indian textile And garment industry', A study in the Indian Council For Research On International Economic Relations, Nov, 2002.

Review:

The study has examined India's competitive performance in the US and EU markets for MFA (ATC) product categories that are important in Indian export basket, and has found that Indian exports to the EU and the US are, on the whole, export-competitive. It has also delineated the changing landscape in the international trading environment which is likely to significantly impact global textile and clothing trade. To enhance the competitiveness of the industry, the study has highlighted areas requiring **government policy intervention**. The study concludes that while there is little doubt regarding the **immense potential** that the Indian industry-specially garment sector- has, several **policy reforms** are needed urgently in order to unlock this latent capability. Besides, from the emerging nature of global trading environment, it appears that **market access** would become an increasingly important aspect of translating competitiveness into export performance.

13. National Textile Policy, http://www.indianembassy.org, 2000.

Review:

The handloom sector is known for its heritage and the tradition of excellent craftsmanship. It provides livelihood to India's millions of weavers and crafts-persons. The industry has not only survived but also grown over the decades due to its inherent strengths like flexibility of production in small quantities, openness to innovation, low level of capital investment and immense possibilities for fabric design. The Government will continue to accord priority to this sector. Steps would be taken to promote and develop its exclusiveness for the global market.

14. Johnston, 2003; Ganguli, 1996; Krugman, 1991.

Review:

According to the authors, there is a fairly close association between the export performance of Tirupur and the technological support received from South Indian Textile Research Association (SITRA). As stated by Ganguli, the impact of SITRA institution on performance of Tirupur clusters in India is considerable. Certainly this institution appears to be valued by many other industrial research organizations in India. The forms of economic activity at a point in time play an important role. As local economies undergo through development over time, it affects the firm's future opportunities.

15. National Textile Policy, 2000.

Review:

The National Textile Policy was formulated keeping in mind the following objectives:

- Development of the textile sector in India in order to nurture and maintain its position in the global arena as the leading manufacturer and exporter of clothing.
- Maintenance of a leading position in the domestic market by doing away with import penetration.
- Injecting competitive spirit by the liberalization of stringent controls.

-Encouraging Foreign Direct Investment as well as research and development in this sector. Stressing on the diversification of production and its up gradation taking into consideration the environmental concerns. -Development of a firm multi-fiber base along with the skill of the weavers and the craftsmen.

INTERNATIONAL STUDIES

1. 'How Relational Dimensions Affect Knowledge Redundancy in Industrial Clusters': Manuel Expósito-Langa, F Xavier Molina-Morales (European Planning Studies), Abingdon: Dec 2010.

Review:

The paper focuses on the effects of social capital on industrial clusters. Close networks with strong

ties provide benefits for the companies involved in terms of knowledge flow; however, they could also have some negative effects such as knowledge redundancy and obsolescence.

2. Henrik Mattsson (European Planning Studies), 'Innovating in Cluster/Cluster as Innovation: The Case of the Biotech valley Cluster Initiative' Abingdon: Nov 2009. Vol. 17, Iss. 11, p. 1625, 2009.

Review:

According to this paper, innovation seems to take place to a higher degree in clusters than elsewhere and a worldwide wave of emerging cluster initiatives and similar innovation policy projects has been seen. Some of these were realistic efforts based on existing regional strengths and partly existing cluster structures. Although economic geographers often tend to explain innovation (competitiveness) by looking at cluster dynamics, in some pathetic accounts, the cluster concept itself can actually function as an innovation, imposing similar effects on the economy as more familiar types of innovation would, i.e. by creating a local competitive edge.

3. Dhas, Albert Christopher and Helen, Mary Jacqueline: 'Social security for unorganized workers in India', The American College, Madurai, Lady Doak College, Madurai 20. June 2008, MPRA Paper No. 9247.

Review:

According to this paper, analysis of secondary information available from the Census and National Sample Survey Organization reveal that unorganized workers account for about 93 per cent of the total workforce and there is a steady growth in it over years. It was also observed that the unorganized workers would expand further due to globalization.

4. Darryl D'Monte, article 'Artisanal Weavers struggling to Survive' published in CED (Center for Education and documentation) http://docentre.org/edocs/darryl-uzramma-talk-sep 08.php (former Resident Editor of the Times of India, Mumbai, Founder President of the International Federation of Environmental Journalists). http://www.indiatogether.org/2008/sep/eco-artisans.htm. 2008

Review:

The author feels the need for an organisation like the CED to document and disseminate the findings on how traditional cotton weavers can have a future while scores of them are committing suicide in her home state in Maharastra and elsewhere.

The report also mentions that an official census in 1987-88 estimated that there were between 2 and 2.5 million weavers directly working on handlooms, and another 1 million engaged in related activities. Weavers' organisations estimate the figure is ten times higher at 20 million working on 3 million handlooms and an equal number engaged in pre and post weaving operations.

For every **Poweloom set up, six handlooms were rendered idle. This meant that every job in the powerloom sector displaces 14 handloom weavers.**

She also reports that in 1991, for instance, there were **110 deaths** of handloom weavers in AP due to starvation/suicide by 2001, when the quantitative restrictions on imports of textiles were removed and

the economy was exposed to globalisation, it was unofficially reported that there were 400 cases of suicides and starvation deaths among handloom and traditional power loom weavers from 1999.

She is of the opinion that few intense efforts such as those of Dastakar Andhra are NOT ENOUGH to reverse the situation where modern market structures have pushed millions to the edge.

5. United Nations Industrial Development Organization (UNIDO): "Cluster Development Program". 2005.

Review:

Under this concept, a few companies, who are otherwise competitors of each other, come together under the umbrella of a "consortium" to do joint marketing in international markets. They have standardization of processes & quality in terms of manufacturing & marketing. In the process, they achieve economies of scale.

6. Holmstorm's study on city of Bangalore Cluster (Sep2005)

Review:

According to this paper, there are two types of integrations found in industrial cluster, they are horizontal and vertical integration. Increased vertical integration occurs as the division of labor gets more specialized, and new firms are able to fill the new niche markets. Holmstorm's study on city of Bangalore Cluster shows as an example how it has spurred the horizontal clustering process where all factors are equally responsible and integrated to bring a boom in Bangalore based SSIs clusters.

7. Denis Audet and Raed Safade : 'A New World Map In Textiles And Clothing : Adjusting To Change' (Organisation for economic Co-operation and development, OECD, 2004).

Review:

The authors say that Comparative advantage of low-income developing countries with an assembly process based on relatively low wages does not necessarily translate into a comparative advantage for the management of the entire supply chain when all services-related dimensions are taken into consideration. Efficiency in managing the entire **supply chain** is required, including for **design**, fabric **procurement**, and **logistical** skills, in **transport**, **quality** control, and property rights **protection**, export **financing**, and clearing of **trade** formalities. As quantitative restrictions are gradually phased out, several low-cost countries that excelled as off-shore assembly centers because of their MPA quote allocations are gradually being exposed to the **inherent vulnerability of production fragmentation**. Countries that inspire to shift their industrial expertise from manufacturing to the higher value added segments of the supply chain by upgrading their domestic skills in design, logistics & retail distribution. This process can be facilitated by encouraging national suppliers to offering more integrated solutions to prospective buyers. The author also says that **leadership role of large retail groups and brand name marketers can reduce the vulnerability** of textiles and its products with the blurring of traditional boundaries between the two. Retailers are concentrating on global sourcing.

8. Sumru Belger Krody (Symposia, 2004), 'The Tale of the Two-Tailed mermaid: A case study in the Origins of the Cretan Embroidery Style'. 2004.

Review:

The author stresses the importance of old trade routes in moving traditional textile motifs from one part of the world to another and how new traditions are created by transferring artistic ideas across cultures and then styling to suit the tastes of the adopting culture. The researcher holds the opinion that for a design to live long, and live through the dynamics of world cultures, designs should not be developed in isolation but within political and cultural climates as well as existing geographical realities.

9. Bathelt, Malmberg, and Maskell : Knowledge Generation and flow, 2002.

Review:

According to this paper, knowledge generations and flow is quite associated with institutional set up of a cluster. In a global economy with a high developed communication network and links to knowledge in other places is an important. "One objection to this localized model of information flows is that it may insulate firms potentially valuable information generated in other places and lead to an inbred thinking and a lock in that produces economic decline" (Simmie, 2004).

10. 'Impact of Marketing Mix on Exports of The Egyptian Textiles Using System Dynamics Approach' : Ziad Adel, Khaled Wahba, 2002.

Review:

According to this paper, under many environmental conditions the exports of Egyptian raw cotton and cottoned textiles decreased, which resulted in many social and economical problems. The current status of Egyptian textile industry and the coming applications of several global and bilateral trade agreements sent strong danger signals to workers through the textile value chain starting by farmers ending with exporters. Matching the competitive advantage with opportunities needs deep knowledge of the industry and the mental model that lays it. Dumping dynamics of virtual system that control the textile industry is becoming an imperative need to find a way out of industry current status, and prepare it for future challenges. Egyptian textile industry, under privatization program, economic pressures, GATT agreement, is trying to get large steps to leverage that it had enjoyed before. The industry is mostly anchoring on the competitiveness of availability of most of value chain steps in Egypt.

11. Tirthankar Roy: 'Traditional Industry in the Economy of Colonial India', published by the press syndicate of the university of Cambridge, The Pitt Building, Trumpington Street, Cambridge, CB2 1RP,United Kingdom, 1999.

Review:

In this paper, the author disputes an influential belief that exposure to free trade destroyed or devitalized the Indian artisan. The transition outlined in the book is not qualitatively very different from the experience of traditional industry during the early stages of industrialization in Western Europe or Japan. Rather, the roots should be sought in those specific South Asian conditions that prevented industrialization from securing rapid growth in average incomes. These conditions might be rapid **population growth or social backwardness**.

12. Nadvi: ‘Diverse Responses with in Cluster’, 1999.

Review:

Nadvi found that in the Mexican and Pakistani clusters large and medium sized firms improved their performance more than small one. But, in the Indian cases the distinction as not so much (Nadvi, 1999). All clusters can’t be similar in many ways as for example not all major software developments areas in India can be not exactly become Bangalore IT cluster.

13. Garrett Menning,, The University of California: ‘A suvey on Ethnic Enterprises in the Decentralised Textile Industry of Surat, India’, 1997.

Review:

The survey explores the role of ethnic networks in the contemporary art silk industry of Surat, Gujarat, India's largest production centre of synthetic fabrics. It is argued that one of the secrets of its success is a system of ethnic entrepreneurship in which business people rely on informal networks based on ties of kinship, caste, sect and place of origin. Participation in these flexible networks gives merchants and manufacturers access to community resources, and allows them to minimize costs, adapt to market fluctuations and avoid government restrictions. Informal networks are also thus an indespensible aspect of efficient cluster functioning

14. WTO in Textile Industry, 1995.

Review:

The (WTO) has taken so many steps for uplifting this sector. In the year 1995, WTO had renewed its MFA and adopted Agreement on Textiles and Clothing (ATC), which stated that all quotas on textile and clothing would be removed among WTO member countries. It was observed that the level of exports in textiles from developing countries was increasing even in the presence of high tariffs and quantitative restrictions by economically developed countries.

15. Michael Porter: ‘Mobilization of Capital’, 1990.

Review:

The author says that “competition is a driving force behind cluster development. Clustering is a dynamic process, and as one competitive firm grows, it makes demand for other related industries. As the cluster develops it becomes a mutually reinforcing system where benefits flow backwards and forwards throughout the industries in the cluster”. According to Nadvi and Schmitz (1999), the mobilization of physical capital, human capital and expected output of resources, breaks down the investment in small, risk able steps. It means the enterprise of one creates a foothold for the other. In brief, “It is a process in which enterprises creates for each other often unwillingly, some time intentionally” (Nadvi and Schmitz, 1994) – like Bangalore computer industry that gave rise to global players but, started as a cluster of small firms

16. Piore and Sabel: ‘Clusters and Flexible Specialisation’, 1984.

Review:

Piore and Sabel claimed a "second industrial divide," arguing that the saturation of mass markets for

relatively standardized goods was giving way to consumer preference for **greater variety** and **quality** Their studies of Italian industrial districts showed that Cluster of small, craft-oriented industrial firms were profitable in the global market by producing distinctive, high-quality products in a diverse area, as for example furniture to textiles and apparel. These industrial cluster or so called industrial districts achieved their success through flexible specialization and adjust themselves to respond as per market demand and to fill market with a quality and controlled quantity of products.

SECTION III: NEED OF THE STUDY

The need of the study is to identify the vulnerability profile of the traditional textile sectors as to why certain reasons deter the handloom / handicraft units to grow multi-dimensionally; address the causes of those problems / factors and not the symptoms even though the handloom and handicraft sector have enough cause to flourish despite the government claims to be implementing various plans and schemes for the well being of the industry. Some of the problems prevalent ubiquitously in the traditional textile clusters of India are:

- The competitiveness of selected sectors in terms of **limited market share** and **poor productivity** because of lack of higher unit value realization of the products.
- **Ineffective integration** of **scattered artisans**, unable to build their grass roots enterprises and link them to latest technology in the sector for customized interventions and ensure economies of large scale in operations.
- **Lack of a supply system** that is geared to responding to large-scale orders, adhering to quality and product standardization, limiting them from taking a plunge into global markets.
- **Scarce livelihood opportunities** to the people in the industry and creation of sustainable employability for the artisans/craftsmen already engaged in this sector.
- **Missing requisite support/ linkages** in terms of adequate infrastructure, technology, product diversification, design development, raw material banks, marketing & promotion, social security and other components that are vital for sustainability of artisans/craftsmen engaged in the Handicrafts / handloom sector.
- **Inability to utilize the resources** available under various ongoing schemes of the Central Government.
- **Lack of linkages** within the industry isolating and thus restricting Public Private Partnership (PPP) model in the form of collaboration between the Central/State Governments, beneficiary artisans & their groups, financially creditworthy & commercially linked marketing enterprises and the financial Institutions.
- **Scarcity of Proactive and visionary socially responsible leaders.**

- **Weak technical and program management assistance** for capacity building, designing of the interventions and their implementation, through a competent professional agency.
- **Lack of follow ups** by various agencies, ownership, trustworthy middlemen, education, biases, single window facility and concept of globalization.

SECTION IV: OBJECTIVES OF THE RESEARCH

I. OBJECTIVES:

1) To Identify and evaluate critical vulnerability factors (Cause-Effect variables) of selected traditional textile clusters of India.
2) To examine the prospect and areas for Innovative Capacity Building in the Unorganized Traditional textile clusters of India.
3) To identify the critical 'competitive gap' existing between the organized and the unorganized textile sectors for their mutual enrichment.
4) To recommend a holistic systems model (Decision-Framework) of Policy Initiatives and Value Innovation for selected Clusters under the study based on value-inputs from various stakeholders.

SECTION V: RESEARCH DESIGN AND METHODOLOGY

I. SOURCES OF DATA:-

A. PRIMARY DATA:

A range of tools will be used to collect the required information. The following is a break-up of the data collection methodology intended to be used:

1) Field Scan (Pilot Study)
2) Interviews / Schedules
3) Observation
4) Demographic Survey

Execution of this methodology would include:

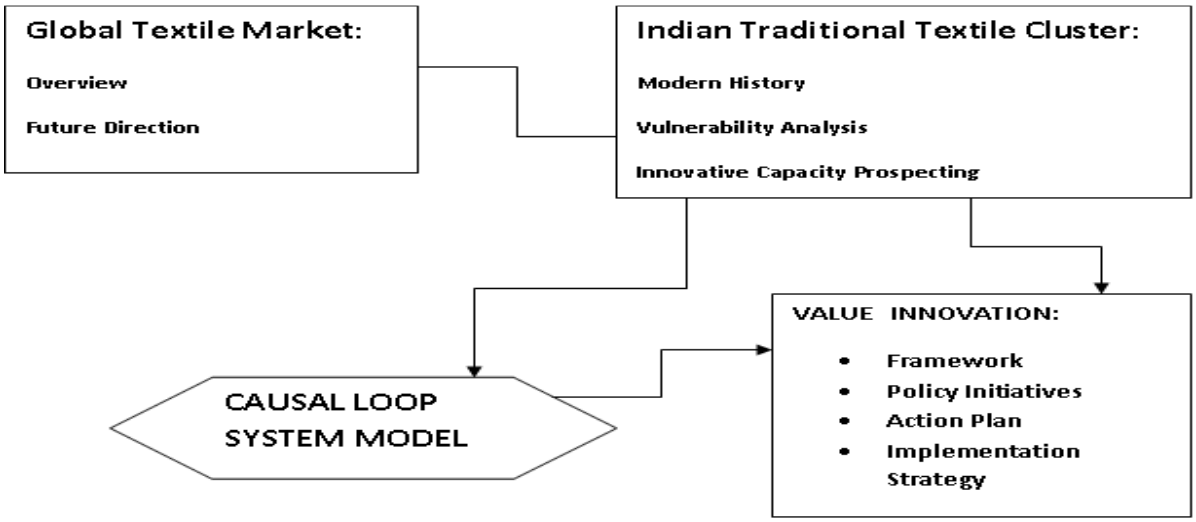
1) Initial pilot field visit to interact with the artisans, organizations and agencies working in the area selected for study.
2) Identifying and interviewing local cluster members and promoting agencies to carry out an objective and issue based assessment.
3) Observation / business profile review: Collection of samples from cluster would be done to review design, quality of product, marketability and overall business prospect.
4) Demographic Survey – Classification and analysis of respondents based on demographic parameters.

B. SECONDARY DATA:

Gathering of information on cluster actors and contacts with a range of institutions (not limited to) such as:

1) Crafts Council India
2) Dastkar- A Society for Crafts and Craftspeople
3) Crafts Revival Trust
4) National Institute of Design-NID
5) National Institute of Fashion Technology-NIFT
6) Asian Heritage Foundation
7) Ministry of Textiles
8) Textile Committee, Mumbai
9) **Others:** Journals, trade magazines, Government of India Textile Ministry Reports, Indian Textile and Clothing Exports Association Reports, Indian Chambers of Commerce and Industry (FICCI) Reports, Confederation of Indian Industries (CII) Reports and various other related private and public reports

The following **diagram** broadly depicts the overall methodology and research approach to fulfill the research objectives:



A Diagramatic illustration of the Research Plan

II. SAMPLE DESIGN / PLAN:-

a) SAMPLING TECHNIQUE: CLUSTER SAMPLING:

Cluster Sampling is the technique adopted for the study in which population is divided into clusters and drawing random sample from all or selected clusters. In other words, the population is divided into a number of strata or sub-groups and a sample is drawn from each stratum.

b) GEOGRAPHICAL AREA COVERAGE (TEXTILE CLUSTERS):

The area for Cluster study will be:

- Block Printing of Jaipur-Sanganer-Bagru (Rajasthan)
- Phulkari and Bagh from Ludhiana, Patiala (Punjab)
- Chamba Rumal from Chamba, Kullu, Simla (Himanchal Pradesh)
- Banarasi Brocade from Banaras (Uttar Pradesh)
- Madhubani from Mithila and Madhubani (Bihar)
- Chanderi – Bhopal and Chanderi (Madhya Pradesh).

c) SAMPLE SIZE:

POPULATION (STATES)	SAMPLE (CLUSTERS)	Operating Units/Cluster
Madhya Pradesh	Chanderi , Bhopal	**5**
Himanchal Pradesh	Chamba, Kullu, Simla	**5**
Punjab	Ludhiana, Jallandhar, Patiala	**5**
Uttar Pradesh	Banaras	**5**
Rajasthan	Jaipur, Sanganer, Bagru	**5**
Bihar	Madhubani, Mithila	**5**

d) SAMPLE COMPOSITION (RESPONDENTS): Sample Size: 100

Various Stakeholders in the industry like:

- Craftsmen / Weavers/ Artisans (50)
- Suppliers (10)
- Entrepreneurs (10)
- Middlemen (10)
- Government agencies (05)
- NGO's (05)
- End users/Clients/ Buyers (10)

e) STATISTICAL TECHNIQUES FOR DATA ANALYSIS:

- Descriptive Statistics
- Likert Scaling / Ranking
- Weighted Average

f) DURATION OF THE STUDY: Year 2010-2012

SECTION VI: PROPOSED CHAPTERIZATION

Chapter 1: Introduction

- 1.1. Traditional Indian Textile Industry
- 1.1.1. Textile Clusters
- 1.1.2. Unorganized Traditional Textile Sectors in India
- 1.2. Need of the Study
- 1.3. Systems Thinking
- 1.4. Vulnerability Analysis
- 1.5. Innovative Capacity Building & Blue Ocean Framework

Chapter 2: Review of Literature

- 2.1. National Studies
- 2.2. International Studies

Chapter 3: Research Methodology

- 3.1. Research Objectives
- 3.2. Sample Design
- 3.3. Sampling Technique
- 3.4. Sample Size and Statistical Techniques Used
- 3.5. Geographical Coverage (Clusters)

Chapter 4: I. Findings and Analysis of Selected Clusters

II. Interpretation of Results

III. Systems Model of Innovative Capacity Building

Chapter 5: Conclusion

Chapter 6: Recommendations

Chapter 7: Appendix & Bibliography

SECTION VII: REFERENCES & BIBLIOGRAPHY

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